THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI GINGEE N. RAMACHANDRAN): (a) Yes, Sir.

(b) *Vide* Central Excise Tariff Amendment Ordinance, 2002, Section 3 of the Central Excise Tariff Act was amended, so as to enable the Government to increase the duty by more than twice the existing rate, only in cases where the existing rate is not nil. Where the existing rate is nil, there is no change in the emergency powers.

(c) By invocation of the amended powers, with effect from 12th January, 2002, Government increased the rates of excise duty on motor spirit (commonly known as petrol) from 32% *ad valorem* to 90% *ad valorem* and on high speed diesel from 16% *ad valorem* to 20%.

Bank scam in Gujarat

102. SHRI JIBON ROY: Will the Minister of FINANCE be pleased to state:

(a) whether Government's attention has been drawn to the news-item captioned "Major Bank Scam unearthed in Gujarat" which appeared in the "The Hindustan Times" dated the 8th January, 2002; and

(b) in what manner Government are going to protect the interests of depositors?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI BALASAHEB VIKHE PATIL): (a) Yes, Sir.

(b) The news-item appeared in the The Hindustan Times' dated 8th January, 2002 made a reference to two urban "co-operative banks *viz.* The Charotar Nagrik Sahakari Bank Ltd., Anand (CNSB) and The General Cooperative Bank Ltd., (GCBL), Ahmedabad. The CNSB faced rush for withdrawal of deposits by its depositors. The unsustainable and indiscriminate lending by the Board of the bank aggravated the position further and led to an over extended credit portfolio and high level of non-performing advances. This coupled with poor recovery performance of the bank ultimately led to

liquidity crunch in the bank.

To safeguard the interest of depositors, RBI has taken several measures which *inter alia* include supercession of board of directors and appointment of administrators; Registrar of Cooperative Societies (RCS)' was advised to file criminal complaint against the top management of the bank; direction under Section 35A of the Banking Regulation Act, 1949 was issued for protecting the interest of the depositors placing certain restriction on acceptance of deposits and lending.

Evasion of Income-Tax by Maiden Leatherite Ltd.

103. SHRI BHAGATRAM MANHAR: Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that a large number of complaints have been received against the owner and his family members of Maiden Leatherite Limited and other benami companies at WZ-169, Madipur Village, Delhi;

(b) if so, the capital base and turnover of the company;

(c) whether any notice under Section 142(1) has been sent to the owner and his family members separately, if so, when and the action taken thereon; and

(d) whether it is also a fact that the company has evaded excise duty and income tax to the tune of lakhs of rupees; and if so, the details thereof?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI GINGEE N. RAMACHANDRAN): (a) A complaint dated 20.7.2000 was received against the owner of M4 Maiden Leatherite Limited and the members of his family.

(b) As per the Profit & Loss Account and Balance Sheet for 1996-97, the total capital base of the company was Rs. 3,08,00O/-, and total turnover was Rs. 2,14,39y-. The company has reportedly not undertaken any business after 1996-97.